Gerald Armstrong 1 715 Sir Francis Drake Boulevard 2 San Anselmo, CA 94960 (415)456-84503 In Propria Persona 4 5 6 7 8 CHURCH OF SCIENTOLOGY INTERNATIONAL,) 9 a California not-for-profit religious corporation, 10 11 VS. 12 13 a California for-profit 14 corporation; inclusive, 15

FEB 23 1998

HOWARD HANSON MARIN COUNTY CLERK by J. Steele. Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

Plaintiff,

GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION DOES 1 through 100,

Defendants.

DECLARATION OF GERALD ARMSTRONG IN SUPPORT OF OPPOSITION TO RENEWAL MOTION FOR SUMMARY JUDGMENT OF ARMSTRONG'S FIRST AMENDED CROSS-COMPLAINT

3/8/95 Date: Time: 9:00 a.m. Dept: One

No. 157 680

Trial Date: not Set

DECLARATION OF GERALD ARMSTRONG

- I, Gerald Armstrong, declare:
- I have personal knowledge of the facts set forth in this declaration and could competently testify thereto if called as a witness.
- This Court has not ordered that I may not discuss my post-December, 1986 experiences with Scientology, this Court's orders, nor the contents or substance of Scientology's post-December, 1986 lawsuits and other actions against me, including the instant action.
 - Following a series of post-settlement attacks and

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threats by Scientology, in February, 1990 I petitioned the California Court of Appeal for permission to respond in the appeal Scientology had taken from the 1984 judgment in Scientology v. Armstrong, Los Angeles Superior Court Case No. C 420153 ("Armstrong I"), and had been able to maintain since the December, 1986 settlement. The Court of Appeal, sua sponte, unsealed the settlement agreement and permitted me to file unsealed and discuss the contents and substance of the Armstrong I case. The Court of Appeal also denied Scientology's motion to seal the appellate record which contained the contents and substance of Armstrong I.

- 4. Scientology filed the Settlement Agreement in open court in February, 1992, as an unsealed exhibit to its initial complaint herein.
- 5. Appended hereto as Exhibit A is a true and correct copy of my petition to the Court of Appeal with the Court's handwritten permission.
- 6. Appended hereto as Exhibit B is a true and correct copy of the Court of Appeal's denial of Scientology's motion to seal the appellate record.
- 7. My answer in Scientology's adversary proceeding,
 Scientology v. Armstrong, US Bankruptcy Court for the Northern
 District of California, Case no. 95-1164 ("Ad. Pro.") contains the
 contents and substance of Armstrong I. The Bankruptcy Court has
 not ordered that I not discuss the contents and substance of my
 Ad. Pro. answer nor anything else contained in the bankruptcy case
 file; nor has Scientology applied to the Bankruptcy Court for any
 such order.
- 8. Appended hereto as Exhibit C is a true and correct copy

 Page 2.

 ARMSTRONG'S DECLARATION RE SUMMARY JUDGMENT

of my second amended Ad. Pro. answer.

- 9. At various times, all after the disclosure of the settlement agreement by Scientology and after its initiation of this action, I have been permitted by the California Court of Appeal, the Los Angeles Superior Court, the Marin Superior Court and the US Bankruptcy Court to discuss the Armstrong I litigation and my experiences with and knowledge of Scientology without being required to do so.
- 10. I am permitted to file an appeal from this Court's orders. The orders do not limit the content or substance of my appellate briefs, which may include the contents and substance of the Armstrong I case and the contents and substance of Scientology's post-December, 1986 lawsuits and other actions against me, including the instant action.
- 11. I cannot be prohibited from canvasing for amici curiae in my appeal from this Court's orders, or discussing with any potential amici the contents and substance of the Armstrong I case and the contents and substance of Scientology's post-December, 1986 lawsuits and other actions against me, including the instant action.
- 12. Scientology's settlement agreement on its face prohibits me from communicating my experiences in or with Scientology up to December, 1986 with my attorney(s). This Court's orders specifically permit me to so communicate with my attorney(s). Similarly the settlement agreement prohibits me from so communicating to a minister of my Church, to a medical doctor or to a psychotherapist. For the same reason that I could not be prohibited from communicating anything to my attorney(s) I cannot be prohibited from communicating anything to a minister of my

Church, to a medical doctor or to a psychotherapist, despite these professions being omitted from this Court's orders.

- 13. The settlement agreement on its face does not permit me to bring any legal action against Scientology to obtain redress for its criminal and tortious acts against me since the December, 1986 settlement, because to do so would necessarily involve my not maintaining strict confidentiality and silence with respect to my experiences with the Church of Scientology and any knowledge or information I may have concerning the agreement beneficiaries. I cannot, however, legally be prohibited from bringing any legal action against Scientology to obtain redress for its criminal and tortious acts against me since the December, 1986 settlement.
- Such acts include, but are not limited to: filing affidavits accusing me of crimes and of being an agent provocateur of the United States government; publishing distorted versions of my Scientology history; using documents which Scientology had requested be sealed in the Armstrong I case to attack me; distributing copies of edited versions of illegally obtained videotapes of me to the media internationally; threatening me six times with being sued if I responded to any attacks; threatening me with being sued if I testified even pursuant to a lawfully served subpoena; secretly videotaping me; suing me four times; attempting to have me jailed for contempt of court based on Scientology's mischaracterization of my actions and manufactured charges; filing declarations in various courts containing false charges, and using the settlement contract to prevent me from responding or punish me for responding; using a paid agent to spread the false rumor that I have AIDS; disseminating to the media packs of black propaganda which provide Scientology's false

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version of my experiences, including lies that I testified falsely at trial in 1984, that I have adopted a degraded lifestyle, that I am connected to a referral agency for kidnapping, that my defense in the 1984 trial was a sham and a fraud, that the Los Angeles Police Department authorized videotaping me, that I wanted to plant fabricated documents in Scientology files and tell the IRS to conduct a raid, that I wanted to plunder Scientology for my own financial gain, that I never intended to stick to the terms of the settlement contract, that my motives are money and power, that I was incompetent as a researcher, that I perjured myself about surrendering documents to the court, that I wanted to orchestrate a coup in which members of the US government would wrest control of Scientology; publishing black propaganda about me without stating its source which provide Scientology's false version of my experiences including the lies that I was formerly a heavy drug pusher, that a Marin Independent Journal photo showed me in the nude, that I am psychotic and live in a delusory world; charging falsely in a letter to the press that I had distinguished myself by posing naked in a newspaper; attempting to cause me trouble with the IRS by writing black propaganda letters about me; distributing packs of black propaganda which attack my lawyer, Ford Greene, and Judge Breckenridge; attempting to deny me my Constitutionally guaranteed rights including due process and freedom from slavery.

15. In or in anticipation of such an action against
Scientology to obtain redress for its criminal and tortious acts
against me since the December, 1986 settlement I could not be
prohibited from discussing my experiences or others' experiences,
or Scientology, or plaintiff, or any or all of the beneficiaries

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of Scientology's settlement agreement or this Court's orders with anyone.

- 16. Although paragraph 7I of the settlement agreement prohibits the use of past actions or activities that were alleged during the course of the Armstrong I litigation in future litigation between me and the agreement beneficiaries, Scientology has used such past actions or activities that were alleged during the course of the Armstrong I litigation against me in all of its post-December, 1986 litigations against me. I have responded in my defenses with the similar use of past actions or activities that were alleged during the course of the Armstrong I litigation against me.
- 17. Paragraph 18E of the settlement agreement states that "[t]he parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement." If the settlement agreement were interpreted to be promoting settlement of disputes and promoting justice, then Scientology's post-December, 1986 acts against me would be seen as acts which are inconsistent with the agreement. Scientology's post-settlement acts have led to four additional lawsuits and likely more to come. This Court's misinterpretation of the settlement agreement, however, leads to the conclusion that Scientology's post-December, 1986 acts against me are not inconsistent with the agreement because this agreement is designed to suppress evidence and obstruct justice, and because this Court's misinterpretation is that it is permissible that the agreement obstruct justice, while calling it something else.
 - 18. This Court's Order of Permanent Injunction does not

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specifically prohibit me from not obstructing justice.

19. In my petition to the Court of Appeal in February, 1990
I argue that "it would be a fraud upon this court to not advise it
that the respondent is prohibited from filing a brief," and that
appellants' use of the agreement is "obstructive and threatening."
My petition was granted.

20. Mr. Wilson and Ms. Bartilson state in their declarations in support of the instant motion that his not likely that Scientology will seek to enforce paragraphs 7I and 18E of the Settlement Agreement. It is most likely, however, that Scientology will not seek to enforce paragraph 7I of the settlement agreement, because, as stated in paragraph 16 above, Scientology violated this paragraph before I ever did. It is also most likely that Scientology will not seek to enforce paragraph 18E of the settlement agreement because this Court has signaled that nothing Scientology could possibly do, no matter how nonmutual or inconsistent with "the implied covenant of good faith and fair dealing contained in every contract" is inconsistent with this Agreement. By not recognizing that Scientology's postsettlement attacks are acts which are inconsistent with the agreement, this Court stripped me of one of the rare and slim benefits and protections of implied mutuality I had under the agreement.

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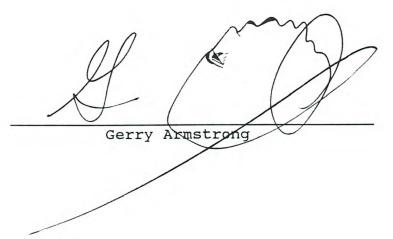
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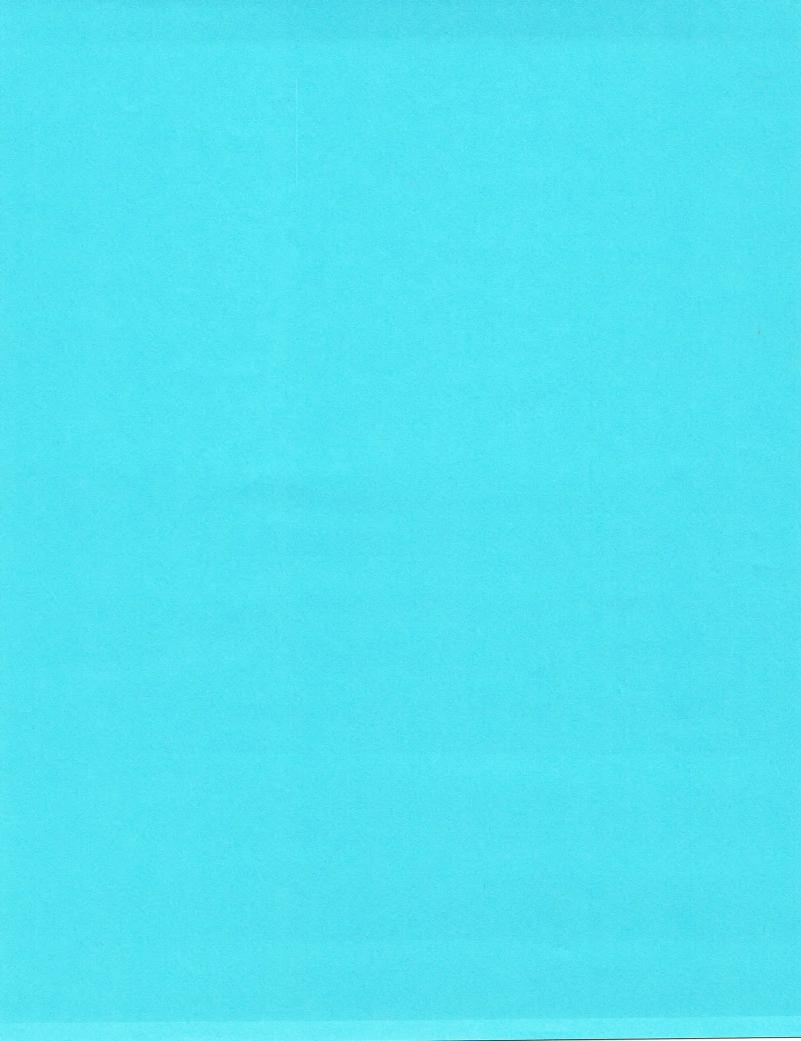
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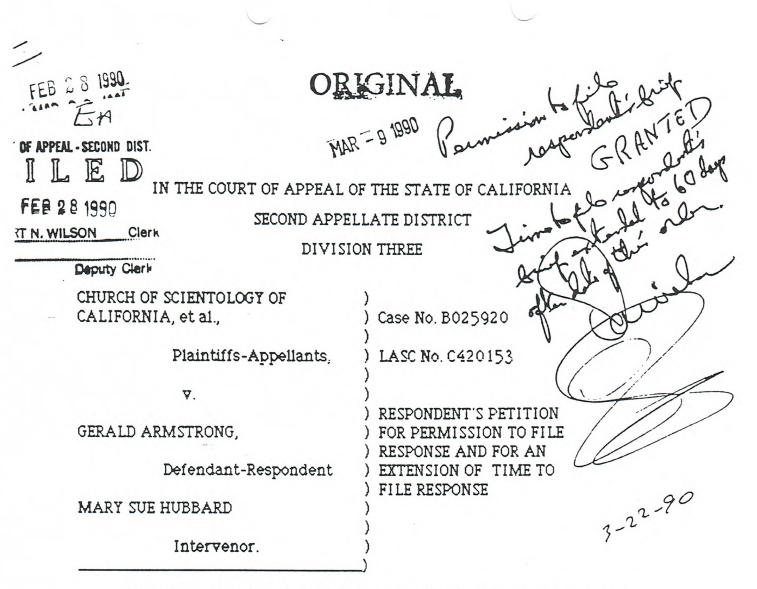
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I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Anselmo, California, on February 23, 1996.







I am the respondent Gerald Armstrong. I am petitioning this court at this time for permission to file a respondent's brief in this appeal and for an extension of time in which to file a respondent's brief or other appropriate document.

1. Permission to File:

The unusual need for this court's <u>permission</u> to file a respondent's brief arises from a condition contained in a document entitled MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT signed by me December 6, 1986, a copy of which is attached hereto in a sealed envelope as Exhibit A. I have no objection to this document being unsealed.

Para. 4A of the settlement agreement allowed appellants to maintain their appeal, no. B005912, which had been filed in 1984, although the case

was ostensibly settled. Para. 4B contains the condition that I "waive any rights [I] may have to oppose (by responding brief or any other means) any further appeals taken by the Church of Scientology of California."

I have recently become convinced that it would be a fraud upon this court to not advise it that the respondent is prohibited from filing a brief. I am also now convinced that my right to file a respondent's brief is not something that can be taken away by such a settlement agreement.

I have discovered, moreover, that "the failure to file respondent's brief imposes an unnecessary burden on [the] court, and at least raises the inference that respondent concedes that the appeal is meritorious," Sowell v. Sowell, 164 Cal. App. 2d 371, 330 P.2d 391 (1958), Yarbrough v. Yarbrough, 144 Cal. App. 2d 610, 301 P. 2d 426 (1956); that the court "may assume that the respondent has abandoned any attempt to support the judgment, and . . . may also assume that the points made by the appellant are meritorious," Roth v. Keene, 256 Cal. App. 2d 725, 64 Cal. Rptr. 399 (1967); and that the court "shall regard with disfavor the failure of a respondent in any case to assist the court by means of an answering brief," James v. James, 125 Cal. App. 2d, 417, 270 P.2d, 538 (1954).

I am therefore requesting this court's permission to file a respondent's brief, motion for dismissal or other responsive document.

2. Extension of Time to File:

I received Appellants' Brief and Appellants' Supplemental Appendix in Lieu of Clerk's Transcript from Flynn, Sheridan & Tabb on January 18, 1990. I have not yet received Appellants' Appendix.

I am not an attorney and I am not represented by legal counsel in any Scientology matters at this time. Neither Flynn, Sheridan & Tabb nor Contos & Bunch, both of which firms represented me throughout the litigation of

this case in the lower court, will be representing me in this appeal. It is my intention to retain an attorney to represent me in this appeal if at all possible.

Appellants had five and a half years from the date the trial court issued its Decision to the date they filed their brief.

Appellants have filed another appeal, entitled Church of Scientology of California and Mary Sue Hubbard, Appellants, against Gerald Armstrong, Defendant, Bent Corydon, Appellee, Civ. No. B 038975 in Division Four in the Second Appellate District, which has its genesis in the same case underlying this appeal, Super. Ct. No. C420153, and concerns many of the same facts and issues as this appeal. I am at this time also petitioning the Division Four Court for permission to respond in that appeal.

There remain a number of issues springing from the settlement agreement, appellants' actions in violation of the agreement, and appellants' obstructive and threatening use of the agreement, which this court does not have to consider in order to grant my petition, but which I will be addressing as soon as possible by motion or other appropriate action in the Los Angeles Superior Court, which retains, pursuant to clause 20 of the settlement agreement, jurisdiction to enforce its terms.

I therefore request 90 days from the date of this court's granting of this petition in which to file a respondent's brief or other responsive document.

DATED: February 20, 1990

GERALD ARMSTRONG

Respectfully subm

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss
COUNTY OF ALAMEDA)

I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 7140 Buckingham Blvd., Berkeley, CA 90475.

On February 20, 1990 I caused to be served the foregoing document described as RESPONDENT'S PETITION TO FILE RESPONSE AND FOR AN EXTENSION OF TIME TO FILE RESPONSE on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Oakland, California, addressed to the persons and addresses specified on the service list attached.

Executed on February 20, 1990 at Oakland, California.

SERVICE LIST

COURT OF APPEAL OF THE STATE OF CALIFORNIA SECOND APPELLATE DISTRICT DIVISION THREE 3580 Wilshire Blvd., Room 301 Los Angeles, California 90010

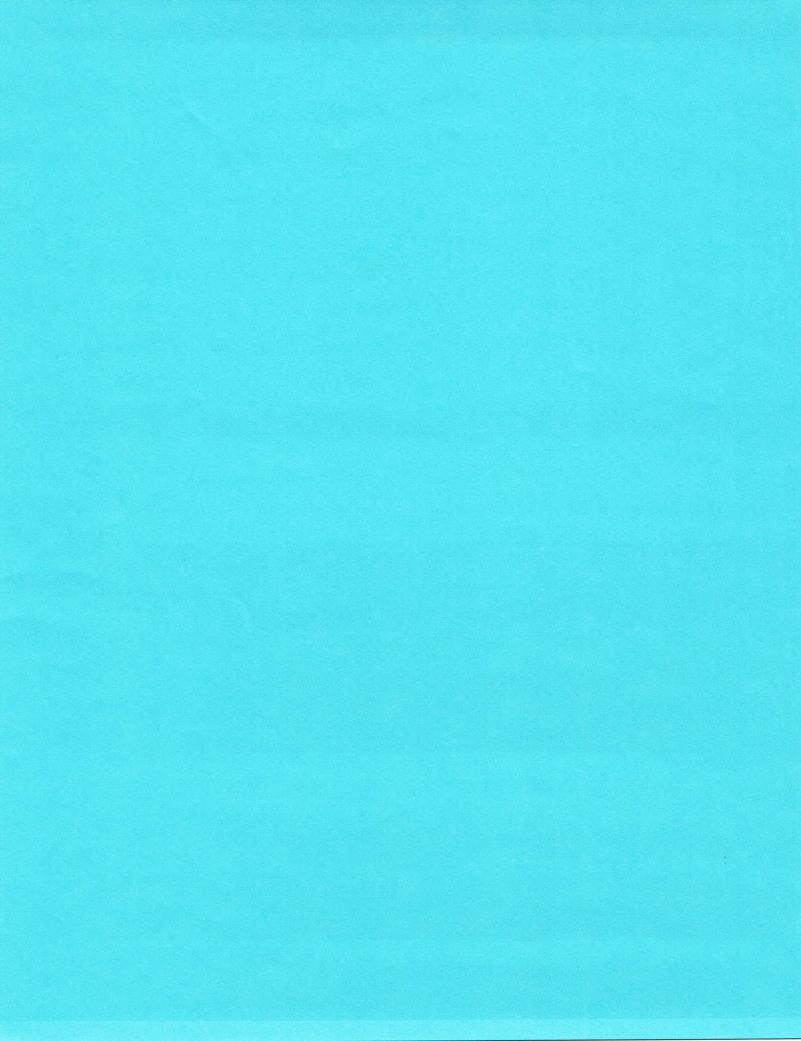
ERIC M. LIEBERMAN, ESQ.
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
740 Broadway, Fifth Floor
New York, New York 10003-9518

MICHAEL LEE HERTZBERG, ESQ. 275 Madison Avenue New York, New York 10016

MICHAEL J. FLYNN, ESQ. FLYNN, SHERIDAN & TABB One Boston Place, 26th Floor Boston, Massachusetts 02108

JULIA DRAGOJEVIC, ESQ.
CONTOS & BUNCH
5855 Topanga Canyon Blvd., #400
Woodland Hills, California 91367

CLERK OF THE SUPERIOR COURT 111 North Hill Street Los Angeles, California 90012



OFFICE OF THE CLER COURT OF APPEAL STATE OF CALIFORNIA

12-7-91 Ha

SECOND APPELLATE DISTRICT ROBERT N. WILSON, CLERK

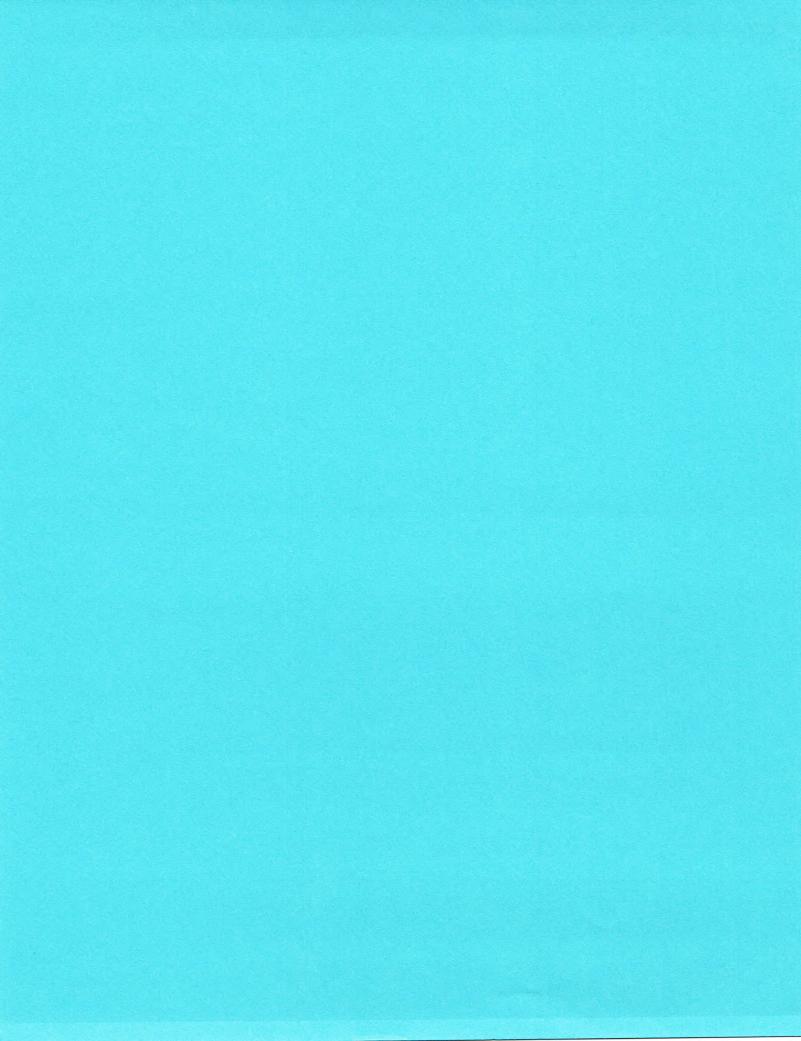
DIVISION: 3 DATE: 12/05/91

Gerald Armstrong P.o. Box 751 San Anselmo, CA. 94960

RE: Church of Scientology of California, Etal VS.
Armstrong, Gerald
Corydon, Bent
2 Civil B038975
Los Angeles NO. C420153

THE COURT:

MOTION TO SEAL RECORD DENIED.



Gerald Armstrong 715 Sir Francis Drake Boulevard San Anselmo, CA 94960 (415)456-8450 In Propria Persona ORIGINAL FILED

95 SEP 25 Pif 4: 01

KEENAL , CLERK U.S. DANA IO. COURT NORTHERHIDS FOR CA. SANTA ROSA. CA.

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

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) Case No. 95-10911 aj
In re
) Chapter 7

Adv. No. 95-1164

GERALD ARMSTRONG'S SECOND AMENDED ANSWER

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California nonprofit religious corporation,

Plaintiff,

GERALD ARMSTRONG,

Debtor

v.

GERALD ARMSTRONG,

Defendant.

INTRODUCTION

Plaintiff Scientology organization has been judicially declared paranoid and schizophrenic. Scientology's paranoia and schizophrenia are a reflection of its founder L. Ron Hubbard. Hubbard was judicially declared to be a pathological liar, greedy, justful of power, vindictive, and aggressive against persons he perceived as disloyal or hostile. Out of his paranoia and schizophrenia, Hubbard concocted and adopted a philosophy and practice of opportunistic hatred as his way of dealing with persons so perceived. Out of his paranoia and schizophrenia

Hubbard targeted and labelled persons so perceived "suppressive persons," (or "SPs") and "enemies." At a certain point Hubbard called his philosophy and practice of opportunistic hatred, "fair game," and he formed an organization, which he called a "church," to carry out his "fair game" intentions, plans, programs, operations and orders. He used the resources and personnel of the Scientology organization to carry out antisocial and criminal acts against individuals and groups designated as "enemies." Hubbard's "fair game" policy, which has been several times judicially condemned, states: "ENEMY - SP Order. Fair game. May be deprived of property or injured by any means by any Scientologist without the discipline of the Scientologist. be tricked, sued or lied to or destroyed." Out of his paranoia and schizophrenia Hubbard further instructed his "church" to use society's legal systems to harass and ruin perceived "SPs" or "enemies." It has been judicially declared that his Scientology organization has a history of violating and abusing its own members' civil rights, and harassing and abusing those persons not in the organization whom it perceives as enemies. been judicially declared that the Scientology organization is fully capable of intimidation or other physical or psychological abuse if it suits their ends. Hubbard and Scientology, while knowing that defendant Armstrong was neither an "SP" nor an "enemy," as said terms are used and defined in Scientology's policies, orders and other writings, so labelled him, and subjected him to "fair game" until Hubbard died in 1986. Scientology's new leader David Miscavige has continued its "fair game" doctrine until the present, and his Scientology organization continues to the present to label and target

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Armstrong as an "SP," an "enemy," and "fair game." The instant complaint by Scientology is the product of Miscavige's and Scientology's paranoia and schizophrenia manifested in their "fair game" doctrine and attacks. Miscavige and Scientology have known throughout the time period covered by the matters herein of the judicial condemnation of "fair game." Miscavige and Scientology are harassing Armstrong with judicial enforcement of an illegal and evil contract, his signature on which they obtained by extortion, fraud and the abuse of his common decency and trust. From the time of signing of said contract to the present, Miscavige and Scientology have subjected Armstrong to a campaign of covert and overt character assassination (which Scientology calls "black propaganda"), stalking, threat, lies and litigation. Scientology has a reputation in its legal affairs for dirty tricks, threat, dishonesty, deception, attrition and overwhelm which is widely known and feared by this country's attorneys and by the media. Scientology also has a widely known reputation for using bullying and dishonest private investigators to harass perceived opponents pursuant to "fair game" and for shielding their aggressive and corrupt activities behind the work product privilege of corrupt attorneys. All of Armstrong's actions which Scientology claims are breaches of its "contract" were in logical, legal response to Miscavige's and Scientology's dangerous and damaging "fair game" activities. Armstrong's actions have all been justified and privileged, and Scientology has not been damaged in any way by his actions. The instant complaint is one part of Miscavige's and Scientology's program to misuse the legal system to harass and ruin Armstrong.

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Miscavige's and Scientology's misuse of the legal system is one

front in their war on Armstrong, the purpose of which is his demise. This is not a purpose for which the legal system and the nation's courts may be used.

For the fleeting illusion of power and wealth Hubbard sold his soul to the world's dark force of evil. Out of his paranoia and schizophrenia Hubbard considered himself anti-Christ and devised an anti-Christian philosophy and organization to achieve his anti-Christian goals of world power and wealth. Armstrong is a Christian. Armstrong believes he has been called by God to bring His Light to Scientology's benighted and enslaved souls. Armstrong believes his experiences are God's and that he cannot be silenced by man's courts concerning his experiences or about Scientology's dark, secret and anti-Christian nature. Armstrong believes that Scientology is dangerous to himself, others, to wisdom, and to goodness itself, and that Scientology's dangerousness is reduced by bringing its dark, secret and anti-Christian nature to light, and by not succumbing to the threat and of its evil "fair game" doctrine.

HISTORY

Armstrong was in Scientology from 1969 through 1981.

Throughout those years he believed Hubbard's and Scientology's public representations about their history, credentials, research, and benevolent intentions. Armstrong accepted Hubbard's and Scientology's guarantees of higher intelligence, greater freedom, increased abilities and elevated ethics that they made for their psychological processing, or "auditing." Armstrong gave Hubbard and Scientology his allegiance, support and life, which Hubbard and Scientology, out of their paranoia and schizophrenia, systematically and callously abused.

Cree. 7

From 1971 through 1981 Armstrong was in the Sea Organization, one of the two administration and power arms through which Hubbard controlled Scientology around the world. The other power arm of Scientology that Hubbard used to maintain control was the Guardian's Office, headed by his wife Mary Sue Hubbard. Armstrong worked with Hubbard for four years on his ship, the "Apollo," and held the positions of public relations officer, legal officer and intelligence officer. Armstrong later was in charge of Hubbard's telex and mail traffic at a base in Florida, and then Hubbard's household staff at a base in southern California. Throughout his Sea Org experience Armstrong gained a knowledge of organization structure, function, control, finances, personnel, policies and operations. During 1980 and 1981 Armstrong assembled an archive of Hubbard's personal records, correspondence and writings of all kinds, and did the research for a Hubbard biography. Armstrong provided Hubbard's personal archive materials to non-Scientologist writer Omar V. Garrison who had been contracted to write the biography.

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Through his study of Hubbard's archive, and the integration of his knowledge and experiences gained throughout his years in Scientology, Armstrong discovered and documented the fact that Hubbard and Scientology had systematically and callously lied in their public representations about their history, credentials, research, benevolent intentions, and guarantees for auditing. Armstrong discovered and documented the facts that Hubbard claimed to be a civil engineer and nuclear physicist who excelled is his university education; yet he had actually failed his few courses in physics and dropped out of university without completing his second year. Armstrong

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discovered and documented the facts that Hubbard claimed that it was a matter of medical record that he had twice been pronounced dead; yet no such incidents had happened beyond Hubbard's admitted nitrous oxide hallucination of his death during a tooth extraction. Armstrong discovered and documented the facts that Hubbard claimed that his naval service was glorious, that he had been crippled and blinded in action, and that he had cured himself at the war's end of his battle wounds with his new mental technology "Dianetics;" yet Hubbard's naval career was something different from glorious, he was not crippled nor blinded in action, he feigned his medical conditions to get out of the service and to obtain a disability pension, and, decades after he claimed to have cured himself and, to everyone's amazement, have been given a perfect score on a mental and physical tests, he continued to draw a disability pension for his feigned injuries.

Armstrong discovered that Hubbard lied about his family, including falsely denying his bigamous second marriage and the paternity of his second daughter. Armstrong discovered that Hubbard, while claiming to have been sent by the US Navy into a black magic ring to break it up, had actually been a participant in the black magic cult and its rituals, including a blood ritual. Armstrong discovered that Hubbard, while claiming to have based and developed Scientology on his pure scientific research, had actually based and developed it on his decision for, and use of, neo-satanic power, for which he had joined the black magic cult, then headed by the "great beast," Aleister Crowley.

Armstrong discovered that Hubbard's claims of altruistic

and benevolent motives, that, e.g., he, his philosophy and organization were working to free mankind, were false. When starting Dianetics and Scientology Hubbard programmed himself with the command that all men were his slaves, and through the ensuing years treated them as such. Armstrong discovered that Hubbard was greedy, lustful of power, vindictive, and aggressive against persons he perceived as disloyal or hostile. Armstrong discovered that contrary to Hubbard's and Scientology's assertions that Hubbard received no money from Scientology and was paid less than an average staff member, Hubbard had control of all Scientology monies and bank accounts and had unilaterally transferred many millions of dollars to his own accounts.

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Armstrong discovered that Hubbard's and Scientology's system of "ethics" and "justice" procedures, were neither ethical nor just, but was really a kangaroo court system which served Hubbard's purposes of maintaining ironfisted, dictatorial control, obliterating any criticism, and keeping staff members and Scientologists in fear and suppressed. Armstrong discovered that Hubbard's promise of an increase in intelligence quotient of one point per hour of auditing was false (Armstrong had by then had over one thousand hours) and that in fact the further one went on in Scientology the less intelligent one became. Armstrong discovered that contrary to Hubbard's and Scientology's promise of the sanctity and confidentiality of statements made by people being audited, these statements were not kept confidential but could be and were used by Hubbard and Scientology to control and harm the people if it served Hubbard's and Scientology's antisocial purpose.

Armstrong discovered that Hubbard's and Scientology's

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promise of higher ethical standards as a result of undergoing auditing and adherence to Scientology was false and that auditing and Scientology produced in the adherents who had risen to the apex of its organizational pyramid dishonesty, stupidity, antisocialness and aggressiveness. Armstrong discovered that contrary to Hubbard's and Scientology's assertion that auditing and other Scientology practices kept families together and improved marital relations, in fact they turned parents and their children against each other and broke families apart. Armstrong discovered that contrary to Hubbard's and Scientology's assertion that auditing made people sane and able, cured diseases such as cancer and guaranteed superior physical health, there was in fact an inordinate number of suicides and psychotic episodes among people who had been audited and all auditees were generally delusional. Scientologists were as sick and died of cancer and other diseases as readily as anyone else, and were generally Armstrong discovered that Hubbard himself was unhealthy. addicted to drugs, in poor physical health, and often pathologically sullen or enraged, and Armstrong knew that Hubbard and Scientology hid these conditions from the world. Armstrong discovered that rather than admitting the damage and failures of auditing Hubbard and Scientology attacked any critics and attacked the persons who had been damaged. Armstrong discovered that Hubbard had relabeled his "psychotherapy" a "religion" to avoid having to make good on his "scientific guarantees." Hubbard called this idea the "religion angle."

Armstrong discovered that Hubbard and Scientology consistently lied in judicial proceedings and required that their adherents lie for them, including lying about Hubbard's control

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of Scientology, his control of Scientology funds, his control of the Guardian's Office intelligence operations(11 GO staff, including Mary Sue Hubbard, were convicted of Federal crimes and sentenced to prison as a result of an FBI raid on Scientology's intelligence bureaus in 1977) organization structure, the organization's ability to communicate with Hubbard, their intentions, and neo-satanic origins, attitude and practices.

Armstrong discovered that Hubbard and Scientology, rather than face the truth about their origins, attitude and practices, sought to subvert the justice system through dirty tricks, lies, threat, deception, attrition and overwhelm.

Armstrong discovered that he had been brainwashed by Hubbard and Scientology, and that Scientologists everywhere are subjected to the identical brainwashing. Armstrong discovered that he had been cruelly abused by Hubbard and Scientology, and that Scientologists everywhere are similarly abused. Armstrong discovered that Hubbard and Scientology uses a system of punishment, fear, control of language, control of information, control of environment, time and human contact, electronicassisted interrogations, imprisonment, and control of thought, which is able to achieve complete dominion over the minds and lives of Scientologists to their detriment. It brings them to support, defend and give their lives to the very spiritless system which hates them and means them harm. Armstrong discovered that the truth concerning Hubbard's and Scientology's origins, history, actual intentions, practices, operations and efficacy was kept from Scientologists, and that anyone who sought to bring that truth to Scientologists was ruthlessly attacked.

When Armstrong sought while inside to have Scientology

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correct its lies and abuses he was threatened and attacked. He left Scientology and was declared an "SP" and became "fair game." Hubbard's and Scientology's black propaganda "SP Declare" on Armstrong falsely accused him of crimes and lying about Hubbard. Hubbard personally ordered that Armstrong be destroyed. Armstrong contacted Boston attorney Michael J. Flynn. Armstrong obtained documents from Garrison which he thought would be needed to defend himself, and he sent these to Flynn.

From 1982 through 1984 Scientology's "fair game" acts toward Armstrong included spying on him and his wife; hiring private investigators to spy on and harass them; having a private investigator assault Armstrong, and another hit him with a car and attempt to involve him in a freeway "accident;" suing him; attempting to have him falsely charged with theft; subjecting him to a black propaganda and stalking campaign. Armstrong filed a cross-complaint against Scientology for fraud and intentional infliction of emotional distress.

In 1984, following a thirty day trial in Los Angeles
Superior Court, a decision was rendered by Judge Paul G.
Breckenridge, Jr. in Armstrong's favor in Scientology's case from which his cross-complaint had been severed. This decision, which was affirmed on appeal in 1991, is attached hereto as Exhibit A.

After the 1984 trial through 1986 Scientology's "fair game" acts toward Armstrong included a Scientology private investigator threatening to murder him; filing false contempt of court charges against him; attempting to have the FBI charge him based on false information; attempting to have the Los Angeles District Attorney bring charges against him based on false information; culling and disseminating his statements made in auditing; paying agents to

write false affidavits against him; using his friends to set him up in a covert intelligence operation; illegally videotaping him; attempting to entrap him in commission of a crime; subjecting him to further black propaganda, including international publications falsely accusing Armstrong of crimes against humanity.

Scientology also subjected attorney Flynn to years of "fair game," which included suing him or his office more than a dozen times; infiltrating his office; threatening his career and family; paying known criminals for declarations falsely accusing him of crimes; framing him with a crime; attempting his assassination; and subjecting him to an international stalking and black propaganda campaign.

In late 1986, out of desperation to get away from the threat of Scientology's "fair game" operations, Flynn agreed with Scientology to a "global settlement" of all of the cases in which he was then involved against the organization, including Armstrong's cross-complaint, then set for trial at the beginning of 1987. Flynn was to be paid a lump sum which he was to divide between his clients and himself. Armstrong agreed to a monetary figure with Flynn to settle his cross-complaint. Scientology and Flynn worked out and agreed to the language of the settlement documents before Armstrong, who was then working for Flynn, was shown any papers. Armstrong was flown from Boston to Los Angeles, and other Flynn clients were flown to Los Angeles for the settlement, before Armstrong saw the documents he was expected to sign, and was told by Flynn that Scientology would not change the documents. Armstrong was broken hearted when he read the settlement documents. He had not been involved in any negotiations or settlement discussions, and he felt ganged up on.

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He protested to Flynn that it was impossible to live by the "settlement contract;" that he would not agree to the \$50,000 per statement liquidated damages clause; that the contract was just more "fair game." Flynn stated to Armstrong in response to Armstrong's protest that the settlement contract "isn't worth the paper it's printed on;" that Armstrong couldn't "contract away [his] constitutional rights;" that "it's unenforceable." Flynn pointed out to Armstrong the clauses concerning Armstrong's dismissal of his cross-complaint and his release of Scientology up to that date; and Flynn told Armstrong, "That's what they're paying you for." Flynn said that all of his clients, some twenty people, were depending on Armstrong to sign; that most had already signed and if Armstrong didn't sign everyone would be subjected to more "fair game;" that Scientology had ruined Flynn's marriage and life and he had to get out of the litigation; that Scientology would continue to make Armstrong's life miserable. Flynn said that Scientology had promised to cease all "fair game" attacks on Armstrong and everyone else, and that the purpose of the "settlement contracts" was to give Scientology the opportunity they said they needed to "turn over a new leaf." In order to relieve everyone involved from the threat of "fair game," to give Scientology the opportunity they said they needed to reform, and because of his faith in God, and the confirmation by Flynn that the "contract" was unenforceable, Armstrong did go through the spectacle of a videotaped signing.

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Following the settlement, and before Armstrong responded in any way, Scientology continued to subject him to "fair game," including filing affidavits accusing him of crimes and of being an agent provocateur of the United States government; publishing

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distorted versions of his Scientology history; using documents which Scientology had requested be sealed in the Armstrong case to attack him; distributing copies of edited versions of the illegal videotapes of Armstrong to the media internationally; and threatening him six times with being sued if he responded to any attacks. Scientology also continued to subject other people to "fair game," in violation of its promise through Flynn that it was ceasing all "fair game" activities.

Armstrong attempted to live by the spirit of settlement, and although deeply saddened and threatened by Scientology's continuing attacks had not responded, but had tried to live his life away from the Scientology "fair game" war. Armstrong wrote, drew, had remarkable ideas, and formed The Gerald Armstrong Corporation with wonderful hopes and great expectations. In late 1989, however, after a series of threats from Scientology lawyer Lawrence Heller following Armstrong's being served with a deposition subpoena in a case against the organization, Armstrong concluded that he had to do something to defend himself, and to correct what he saw as an obstruction of justice, which the "settlement contracts" and Scientology's enforcement thereof were working in the legal arena. Heller threatened Armstrong that if Armstrong testified about his knowledge of Hubbard and Scientology, even though Armstrong had been subpoenaed to testify, Scientology would consider such testimony a breach of the "contract" and would sue him. Armstrong researched his rights and responsibilities and concluded that he had a duty to oppose known obstruction of justice. Armstrong petitioned the California Court of Appeal to be able to file a response in the appeal Scientology had been able to maintain from the

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Breckenridge decision. Armstrong's filings in the Court of Appeal in 1990 contain his declaration detailing Scientology's post-settlement torts and violations. The Court of Appeal granted Armstrong's petition, he filed a respondent's brief, and the Court affirmed Breckenridge. Following the California Supreme Court's denial of review, Scientology filed a motion in the Court of Appeal to seal the record on appeal. Armstrong opposed the motion, and the Court of Appeal denied it. The complete trial transcript, which contains ten days of Armstrong's testimony about his Scientology experiences up to 1984, is a public document.

In August, 1990 Armstrong was greatly moved by the buildup in the Middle East toward war, and the general condition of man. Armstrong prayed to God for guidance as to what he should do, and received the word of God to give away his worldly wealth.

Armstrong gave his possessions to those whom he believed had a need for them as put in his heart by God, forgave debts owed to him, and determined to go where God would have him go and do what God would have him do; which he believed was to help where his help was asked for. For the next year God had Armstrong, inter alia, offer himself to resolve the Middle East conflict, do some house painting and carpentry work, deal with the pending appeal, attempt to correct Scientology's subversion of the legal system, agree to help the victims of Scientology who asked for his help, and offer himself to resolve the Scientology conflict in which he had been drawn by Scientology's attacks.

Scientology's "fair game" attacks on Armstrong following his responding in Scientology's appeal of the Breckenridge decision include, but are not limited to, secretly videotaping him; suing

him four times; attempting to have him jailed for contempt of court based on Scientology's mischaracterization of his actions and manufactured charges; filing declarations in various courts containing false charges, and using the "settlement contract" to prevent him from responding or punish him for responding; using a paid agent to spread the false rumor that Armstrong has AIDS; disseminating to the media packs of black propaganda which provide Scientology's false version of Armstrong's experiences, including lies that he testified falsely at trial in 1984, that he has adopted a degraded lifestyle, that he is connected to a referral agency for kidnapping, that his defense in the 1984 trial was a sham and a fraud, that the Los Angeles Police Department authorized videotaping Armstrong, that he wanted to plant fabricated documents in Scientology files and tell the IRS to conduct a raid, that he wanted to plunder Scientology for his own financial gain, that he never intended to stick to the terms of the "settlement contract", that Armstrong's motives are money and power, that he was incompetent as a researcher, that he perjured himself about surrendering documents to the court, that he wanted to orchestrate a coup in which members of the US government would wrest control of Scientology; publishing black propaganda about Armstrong without stating its source which provide Scientology's false version of Armstrong's experiences including the lies that Armstrong was formerly a heavy drug pusher, that a Marin Independent Journal photo showed him in the nude, that he is psychotic and lives in a delusory world; charging falsely in a letter to the press that Armstrong had distinguished himself by posing naked in a newspaper; attempting to cause Armstrong trouble with the IRS by writing black

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propaganda letters about him; distributing packs of black propaganda which attack his lawyer, Ford Greene, and Judge Breckenridge.

Armstrong has worked with attorney Greene since August, 1991. Throughout that period Scientology has attempted by overt means through misuse of the courts and by covert means to prevent him from working with Greene and from defending himself. Scientology employed a covert operative, whom Scientology had infiltrated into Greene's office, to develop a black propaganda attack that Armstrong and Greene were involved in a homosexual relationship.

Throughout its legal attacks on Armstrong Scientology has proclaimed that with the "settlement contract" it sought peace. Scientology also interprets the "settlement contract" to mean that it can say whatever it wants about Armstrong, no matter how false, obnoxious or evil and that he may not respond. Scientology claims that if he does respond in any way he is liable for \$50,000 in liquidated damages. Scientology, after much forum shopping, and much "fair game," was able to deceive one judge, who did not understand, into accepting its interpretation of the "settlement contract" and ruling against Armstrong. Scientology interpreted this judge's ruling to mean that Armstrong owed Scientology \$100,000. Scientology at the same time intimidated Armstrong's attorney, Ford Greene, into getting out of the Armstrong case. Scientology had subjected Greene to years of "fair game" which included infiltrating a covert agent into his office to steal his records and cause trouble; hatching a plot with the covert agent to have Greene killed; having the agent execute false declarations about Greene;

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filing five spurious bar complaints against Greene; operating at least two of Greene's clients as their own agents and paying them to execute false declarations against Greene and breach their contract with him. The claim by Scientology for \$100,000, Armstrong's being without an attorney, without money, and without the resources and skills necessary to defend himself, brought Armstrong to file for bankruptcy. Scientology has seized the opportunity to file the instant complaint.

Throughout Scientology's legal attacks on Armstrong it has intimidated Flynn into not coming forward to assist Armstrong. Flynn is not only Armstrong's attorney, he is his good friend. Flynn says that the contract is evil and that Scientology is evil; and he wants to help Armstrong. Flynn says that he signed a contract with Scientology to not assist Armstrong, and, while acknowledging that his "contract" with Scientology is illegal, he says that he knows that his life will be ruined even more than it has been by Scientology if he comes forward to help.

Armstrong maintains that Scientology's interpretation of the "settlement contract" is unconscionable and unamerican, and should be opposed with all strength. Because there are dozens of these "contracts" among first hand witnesses to Scientology's criminal and tortious practices, and because of Scientology's "fair game" use of the "contract" against Armstrong, a terrible injustice is being abetted by our courts, which should be opposed with all strength. Armstrong also maintains that for one party to a "settlement contract," which is supposed to be essentially a peace accord, to be able to continue to shoot at the other party, who is wounded, has been disarmed and is not being allowed to defend himself in any way, is not peace at all but a satanic

hunting trip. The "settlement contract" is a permit for hunting humans.

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Armstrong was paid in settlement by Scientology for their years of psychological cruelty, threat and stalking. Scientology did not learn its lesson but continued its cruelty, threat and stalking of Armstrong, a person already psychologically hurt and altered beyond belief by the cruelty, threat and stalking Scientology promised to cease. Armstrong performed his part of the 1986 settlement; he dismissed his cross-complaint, released to Scientology all evidence from his case, removed himself from controversy, and gave Scientology the time and freedom it said it wanted to cease "fair game." Scientology, knowing that they had compromised and removed Armstrong's attorney, failed to perform their part of the settlement, but continued "fair game" against Armstrong, whom they had psychologically wounded and, they thought, rendered defenseless. Scientology, in their paranoia and schizophrenia, which are the inevitable product of the decision for and prolonged use of neo-satanic "power," failed to consider God, from Whom all healing of minds, defense and victory come.

In 1991 Armstrong became a Christian. Armstrong had, since leaving Scientology, come to believe he was guided by God, and he sought to be guided in all circumstances in which he found himself. Once its adherents become sufficiently brainwashed Scientology does not permit them to believe in God, labels and treats anyone who believes in God as "psychotic," and enforces the satanic idea that God is an "implant," a false idea installed by pain and electronics in man's mind to enslave him.

Scientology also teaches that Jesus Christ, the whole Gospel

story, and Heaven are implants designed to enslave man, and that only Scientology has the way to free mankind from the enslavement of Christianity or other religious beliefs.

Scientology promotes to Christians and non-Christians that it is compatible with Christianity, that it holds the Judeo-Christian Bible as a holy work, and that it has no argument with the belief that Jesus Christ was the Savior of Mankind and Son of Scientology has distributed promotional materials containing these representations to every member of Congress, to libraries, to the media, to educators, to judges, and to people of influence across this country. Scientology withholds from the public its actual enforced beliefs about God, Christ, Heaven and the Bible. Armstrong believes this is religious fraud, and dangerous to everyone lured into Scientology, those already held by its brainwashing system, and society itself. Armstrong also believes that Scientology's "creed" is a religious fraud because Scientology, under Hubbard's and Miscavige's control, has never acted in accord with it. Scientology systematically abuses its members civil rights, and seeks to remove by whatever means the same civil rights of its non-Scientologist enemies."

Scientology promotes actively and aggressively and uses the public postal system, public forums and public media for its promotions. Scientology uses big name celebrities in its promotions, such as John Travolta, Kirstie Alley, Ann Archer and Tom Cruise. Scientology does not permit any of its celebrities to make public their knowledge of Scientology's anti-Christian, anti-religious inner nature, its fraudulent promises and public lies, abuse of human beings, and dangers to families and children. Surveys done in the past two years by FACTNet, a cult

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victims advocacy organization has revealed that while vastly overstating its actual membership Scientology has had an inordinate number of suicides, unexplained deaths and psychotic episodes by people undergoing auditing. If any celebrity acknowledged these evils he or she would become "fair game."

Armstrong sees that Scientology uses its tax-exempt wealth to violate his and other civil rights. Armstrong believes that this is not a legal purpose and not a purpose for which tax-exempt funds can legally be used. Armstrong sees that Scientology tricks and extorts huge sums of money from people it gets in its system for something of no value. This money will be used to pay lawyers to attack the same people and those who sought to bring to light or curtail the abuse. Armstrong believes that Scientology obtained its tax-exempt status in 1993 by illegal means. Armstrong believes that the Internal Revenue Service and the United States government agencies responsible were derelict in their duties in granting such tax exempt status. Armstrong believes that Scientology's leadership is involved in white collar crime, including securities scams and extortion.

Scientology will not acknowledge that God works in people's lives. To do so would be a violation of policy, punishable in "ethics," and being labeled and treated as "psychotic." The attorney executing Scientology's complaint, Laurie Bartilson, is a Scientologist. She has executed several documents in the State case which contain false statements about Armstrong. She attempted through false statements to have him jailed for contempt of court. She is completely under the power of David Miscavige. The complaint is colored by her required hatred of Armstrong.

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God in this litigation is pointing out gently that He is in charge, and that satan is a bad belief in which faith should not be put because faith in satan is always betrayed. The undeniable fact is that God led Armstrong through his whole life to here; and there is no evidence whatsoever with plaintiff or anyone else that He will not lead Armstrong from here on. Miscavige and Scientology seek through power to bring into belief the illusion that Armstrong is obsessed with Scientology in order to excuse their obsession with him. They are faced with an overwhelming mountain of uncontroverted evidence that Armstrong gave away his worldly assets because he was so guided by God, and for no reason connected with Miscavige, Scientology or Hubbard. Without a jot of evidence they seek to con the world into believing that Armstrong renounced his possessions to facilitate his intended breaches of their hunting permit. God has used Armstrong for His purposes through a time when Miscavige, Scientology and Hubbard declared Armstrong "fair game," and attacked him out of their paranoia and schizophrenia. They have done everything they could that they thought could be argued as being within the law to attack and hurt him, and to hurt others, some of whom have been sent to him because they were hurt. Armstrong's actions in helping anyone are religiously motivated and completely protected by this country's and state's constitutions. Armstrong's experiences in or out of Scientology are sacred and the expression thereof cannot be suppressed in violation of these constitutions.

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GENERAL DENIAL

Armstrong generally denies the allegations in Scientology's complaint.

SPECIFIC DENIALS

Armstrong denies that he is indebted to Scientology in any amount or in any way whatsoever.

1. Armstrong denies that he has engaged in a pattern of fraud and deceit of any form or nature whatsoever at any time. Armstrong denies that whatever he has or has not done mandates that his bankruptcy petition be dismissed without discharge. Armstrong denies that he has any legal debt to Scientology; and denies that whatever he has or has not done mandates that the illegal debt Scientology claims he owes it be deemed nondischargeable. Armstrong denies that he lied to anyone by failing to include his ownership in The Gerald Armstrong Corporation as part of his Schedule B. When Armstrong reviewed the petition, which had been prepared by computer program, and before filing the petition, he wrote in "The Gerald Armstrong Corporation" at paragraph 16 of the Statement of Affairs. At the meeting of creditors, and before being asked any questions, Armstrong volunteered the information that he owned 80 percent of The Gerald Armstrong Corporation. Armstrong had simply missed the very tiny line among many other very tiny lines on the Schedule B at the time he filed the petition. Armstrong has never at any time concealed The Gerald Armstrong Corporation or his relation thereto or ownership thereof. Armstrong understands that Scientology does not have much of a sense of humor. Armstrong lacks the information necessary to be able to admit or deny that in 1993 he testified that the assets of The Gerald Armstrong Corporation were worth \$1 billion. Armstrong did testify at the start of 1994 that The Gerald Armstrong Corporation's value was in the neighborhood of \$15 trillion.

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Armstrong lacks the information necessary to be able to admit or deny that in 1994 he admitted under oath that he owned 80% of the shares of the stock in the corporation, and was its president and sole employee. Armstrong denies that, second, while testifying at a meeting of creditors, he asserted that The Gerald Armstrong no longer possessed any assets having any commercial value. Armstrong denies that he at any time failed to satisfactorily explain anything he had been asked to explain if he had a satisfactory explanation to give. Armstrong denies that he disposed of not only the \$1 billion in assets claimed by The Gerald Armstrong Corporation. The loss in value of The Gerald Armstrong Corporation's assets was a direct result of Scientology's evil intention and illegal "fair game" actions to destroy Armstrong's reputation, work and life. Armstrong denies that he failed to satisfactorily explain how he disposed of the \$518,000 he received as proceeds of the settlement of his lawsuit against Scientology. Armstrong testified in detail in the State case, despite such interrogation by Scientology being irrelevant, unwarranted and an invasion of his and others' privacy, as to what he did with the proceeds of the settlement with Scientology. Armstrong denies that he received at least \$15,000 in large increments in 1992 and 1993. Armstrong denies that \$15,000 can be received in large increments; whereas, e.g., \$15 trillion, can be received in large increments. Armstrong denies that he failed to satisfactorily explain how he disposed of \$15,000. Armstrong asserts, however, that such information is irrelevant to this action, and he is not required to provide such information to Scientology or to anyone. Armstrong denies that whatever he has done or not done renders him ineligible for discharge pursuant to

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1 11 U.S.C. sections 727(a)(4)(A) and (5). Armstrong denies that he admitted under oath that he entered into an agreement with 3 Scientology that he intended to breach. Armstrong performed Scientology's evil contract until Scientology's own "fair game" 4 5 actions necessitated his responses in self-defense and in defense 6 of others among Scientology's "fair game" victims. Armstrong 7 desired peace and acted peacefully toward Scientology for three years. Scientology, however, did not want peace, but continued 8 9 to threaten, stalk and attack Armstrong. Armstrong denies that 10 he has repeatedly and maliciously breached the "agreement" 11 entered into with Scientology. Scientology agreed to cease "fair 12 game," but thereafter repeatedly and maliciously "fair gamed" 13 Armstrong. Armstrong denies that his responses to Scientology's 14 "fair game" resulted in the debt to Scientology which Armstrong seeks to discharge. The "success" of Scientology's "fair game" 15 against Armstrong's attorneys, witnesses and friends, and against 16 17 judges and the justice system, resulted in the "debt." Armstrong denies that he owes Scientology anything. Armstrong denies that 18 whatever he has done or not done renders the illegal debt 19 Scientology seeks to "collect" nondischargeable pursuant to 11 20

JURISDICTION

- 2. Armstrong lacks the information necessary to be able to admit or deny any of the averments in this paragraph.
- 3. Armstrong denies each and every averment in this paragraph.

PARTIES

4. Armstrong denies that plaintiff herein is a California non-profit religious corporation. Plaintiff is a single body of

U.S.C. sections 523(a)(2) and (6).

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all Scientologist adherents world wide, all bound by the will, intentions, policies and orders of David Miscavige. Every unit, division, post, position, branch, bureau, network, corporate entity, director, office, as, e.g., Office of Special Affairs, "church," or any named or unnamed part world wide of all of what can "legally" call itself Scientology, and that body of people who may "legally" call themselves Scientologists, are under the complete control and domination of David Miscavige. Scientology and Scientologists are used by Miscavige to carry out his personal desires, including actions against individuals which are illegal and not activities for which the monies of non-profit religious corporations may legally be used. Miscavige's "official" role is that of head of "Religious Technology Center," which, "officially," was given the trademarks of "Scientology" by L. Ron Hubbard. Miscavige decides what is "Scientology" and who can be a "Scientologist." Any claim by plaintiff that there is not a unity of control between the entity it presents as plaintiff, the other parts of Scientology, and all Scientologists anywhere, under David Miscavige, should be disregarded. obtaining of the tax-exempt status for plaintiff's several parts in 1993 was accomplished by fraud, extortion and government complicity and/or dereliction of its duties to this country's citizens. Miscavige has publicly claimed that he personally was responsible for the obtaining of Scientology's tax-exempt status from the government.

5. Armstrong admits that he is an individual, but denies that he has been a resident of the City of San Anselmo, County of Marin, State of California at all times relevant herein.

Armstrong became a resident of the City of San Anselmo on or

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about August 15, 1991.

ANSWER TO GENERAL AVERMENTS

- 6. Armstrong denies that he owes any legal debt to Scientology. Armstrong admits that the State Action is Scientology v. Armstrong, Marin County Superior Court No. 157680. Armstrong denies that eleven claims against Armstrong for breach of contract remain to be adjudicated. There are, according to Scientology's interpretation of what constitutes a "breach," millions of "breaches" by Armstrong remaining to be adjudicated. Armstrong denies that he is liable to Scientology for an additional liability claimed of \$1,750,000 plus attorney's fees and costs. The truth is Scientology is liable to Armstrong for attorney's fees and costs and for damages as a result of its illegal, tortious, and outrageous "fair game" acts against him. Armstrong denies that Scientology's hunger for a permanent injunction is to prohibit Armstrong from further breaching certain terms of the "contract." Scientology's efforts are a smoke screen to hide the fact, and delay the judicial finding, that the "contract" is illegal and evil. Scientology is seeking to prohibit Armstrong from living his life in peace, and is seeking to destroy him through its "fair game" use of the power of the courts.
- 7. Armstrong admits that he signed Scientology's "contract" in December, 1986. Armstrong admits that it settled his cross-complaint against Scientology, but denies that it settled the litigation between Scientology and Armstrong because Scientology never intended by its "contract" to have the litigation settle, nor acted in a way which would allow a settlement. Scientology used the "contract" as a contract on

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Armstrong permitting it to continue to attack Armstrong and continue to subject him and its other targeted "enemies" to "fair game" with imagined impunity.

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- Armstrong denies that he had been actively pursuing a career as an anti-Scientology "expert" and paralegal. Armstrong is an expert in Scientology's "theology," fraud and its philosophy and practice of "fair game." Armstrong is a paralegal. Armstrong was forced into litigating against Scientology and working as a paralegal for a lawyer litigating against Scientology by its "fair game" attacks and threat to his life and loved ones. Armstrong denies that he ever agreed that he would not disclose his knowledge or experiences in Scientology. Armstrong knew that it was impossible to not disclose such knowledge and experiences, and that the "contract" calling for such psychological enslavement was evil and illegal. Armstrong's attorney, moreover, advised Armstrong that the "contract's" condition prohibiting such disclosure was not worth the paper it was printed on and unenforceable, and that Flynn had also advised Scientology of that fact. Armstrong admits that the "contract" provides that Armstrong is to pay Scientology \$50,000 per utterance.
- 9. Armstrong admits that Scientology sued him in February 1992 to enforce its illegal "contract," and sought and obtained a preliminary injunction; but denies that the preliminary injunction enforced portions of the "contract." Los Angeles Superior Court Judge Ronald Sohigian rewrote a portion of the "contract," and it was this rewritten portion which was "enforced" by the preliminary injunction.
 - 10. Armstrong admits that, and that he has testified that,

in August, 1990, in answer to his prayer to God seeking guidance concerning whatever God sought for him at the time of and in consideration of the Middle East crisis, and generally and man's condition, God put the idea in his mind and heart to give away what he had; i.e, those things the "world" and "Scientology" consider valuable. Armstrong denies that he transferred real property valued at \$530,000 and at least \$35,000 in cash to his friend and lawyer, Michael Walton. In 1988 through 1989 Armstrong participated as an investor in the purchase of a lot in Sleepy Hollow, California, and the building thereon of a nice spec house. In early 1990, Armstrong, for various reasons unrelated to Scientology, purchased the house himself, along with Michael Walton, who, Armstrong admits, was his friend and lawyer. Armstrong made a downpayment of approximately \$130,000, and that was his actual equity in the property, which was itself valued at approximately \$530,000 at that time. After the completion of the building of the house, Armstrong, who was then living in another house, which he sold to purchase the Sleepy Hollow house, received the series of threatening telephone calls from Scientology attorney Lawrence Heller which necessitated his becoming active again in his legal and extralegal defense (see History at 13:15-27, supra). At the time Armstrong and Walton moved into the house in May, 1990 Walton had agreed to represent Armstrong in the pending appeal from the Breckenridge decision. Armstrong then had a plan of living life in Sleepy Hollow, running, riding, writing, drawing and other things, such as picking up the world's trash, solving the economy issue, or zeroing in on the Unified Field. The August 2 invasion of Kuwait by Iraq and the immediate international crisis that followed,

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1 televised 24 hours a day in power and detail, greatly affected 2 Armstrong. He admits that as the "world" and Scientology view life, he had already been greatly affected in everything by God, 3 4 in whom he believed, with whom he communicated, and to whom he 5 prayed and looked for guidance and the courage to do what he 6 believed God called him to do. After being so guided by God, 7 Armstrong merely transferred to Walton, who was already on title in the Sleepy Hollow house, his interest therein. Armstrong 8 denies that he transferred at least \$35,000 in cash to Walton. 9 10 Armstrong had, at the time of his and Walton's purchase of the 11 property, deposited an amount of cash into a joint checking 12 account intended to cover house expenses and needs for one year. 13 When Armstrong transferred his interest in the house to Walton, 14 Walton assumed the house's loan payments, and all other expenses 15 and needs thereafter. Armstrong, by leaving the approximately \$35,000 in the joint bank account, was attempting to respect his 16 agreement and arrangement with Walton, perform what he saw as a 17 contract, and to ensure Walton had the wherewithal, no matter 18 what happened to Armstrong, to survive in the house and embark on 19 his career. Armstrong admits that in August, 1990 he forgave all 20 debts owed to him by friends and family members, and gave away 21 the remainder of his cash, some \$1500.00. That cash was repaid 22 to Armstrong in many ways since then. Armstrong denies that he 23 asserted under oath that he received no valuable consideration 24 for these transfers. Armstrong has asserted under oath, and now 25 reasserts, that he received the treasures of God, beyond human 26 wealth and understanding, for his small willingness to give away 27 things which have no value. Armstrong denies that he has not produced any records of any of these transactions, other than the

transfer of the real property to Walton. Armstrong produced to Scientology in the State Action each and every document, totalling hundreds of pages, reflecting or concerning in any way each and every one of these transactions.

- 11. Armstrong called his company The Gerald Armstrong Corporation, or "TGAC," or "Teegeeack."
- 12. Armstrong admits the averments of this paragraph, except he denies that The Gerald Armstrong Corporation, or TGAC or Teegeeack was ever known as GAC. Armstrong admits that The Gerald Armstrong Corporation had at one time considerable worldly value.
- possessed a number of Gerald Armstrong's artistic and literary works, possessed rights to a number of his inventions and formulas, and was in the business of bringing peace and exploiting its assets for commercial and peaceful purposes.

 Armstrong admits that the business of TGAC was at one time to, inter alia, care for, promote and exploit the works of Gerald Armstrong, but denies that it now has any significant business of any kind, except to attempt to wrap up its affairs in a peaceful manner.
- 14. Armstrong admits that in August, 1990 he divided his 100% ownership of TGAC into four equal shares and gave these shares to Michael Walton, Michael Douglas, Lorien Phippeny and Nancy Rodes, and that these people paid him nothing for their shares.
- 15. Armstrong denies that shortly after making the August,
 1990 transfers he initiated successive, or any, breaches of
 Scientology's "contract." The earliest "breach" Scientology

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alleges in its State Court action is in July, 1991. In February, 1990, Armstrong had already publicly exposed Scientology's post settlement "fair game" and Scientology's use of the "contract" to obstruct justice, and had opposed Scientology's efforts to enforce the "contract," in Scientology's appeal from the Breckenridge decision.

- 16. Armstrong admits that he reacquired the stock which he had distributed to Walton, Douglas, Phippeny and Rodes.

 Armstrong admits that Andrew Armstrong, Anthony Armstrong, Thomas McPherson, Michael Dick, Trevor and Colin Dick and Michael Walton own shares in TGAC.
- 17. Armstrong admits that he is Teegeeack's president, sole director, and only employee. Teegeeack has been suspended and its business and activities are negligible. It does have a single bank account and Gerald Armstrong is the sole signatory thereon.
- 18. Armstrong lacks the information necessary to know if he testified under oath in March, 1993 that he estimated the value of the assets of TGAC to be \$1,000,000,000 to \$1,500,000,000.
- 19. Armstrong admits that he testified at the meeting of creditors in May, 1995 that The Gerald Armstrong Corporation has no present commercial value.

Armstrong incorporated TGAC in 1987 and activated it in 1988 to be a vehicle for his work in the world. Armstrong is a writer and artist with a number of unique ideas and talents. He believed that TGAC was a funny, loving and potentially commercially profitable idea, and he developed artistic and socially redeeming concepts with this belief in mind. While doing so, he continued to be aware of Scientology's ongoing

hatred of him and its "fair game" toward him and others; yet while continuing to be aware of said hatred and "fair game," he hoped that peace could prevail, and he did whatever he could to make and keep peace.

In late 1989, as described above, Scientology brought Armstrong back into its conflict. Much of Armstrong's attention and time thereafter was taken up in dealing with Scientology's threat and the legal actions necessary to defend himself and others in an arena in which he had no formal training, and in which his former attorney had been contracted away from defending or assisting him by Scientology as part of its "fair game" campaign. Nevertheless, Armstrong continued to be hopeful about his and TGAC's future, continued to believe that TGAC had stupendous potential, and did not think, believe or realize that Scientology was stupid enough to seek to judicially enforce its evil "contract." In this, Armstrong admits that it can be argued that he was naive about and underestimated both Scientology's vindictiveness, and the ease with which our courts allow themselves to be used, as Hubbard mandated, to harass.

Even after Armstrong renounced his worldly things in August, 1990, he continued to believe TGAC had great potential, and could be great fun and commercially profitable for his four friends to whom he had given the company. When Armstrong woke up to the level of Scientology's vindictiveness toward him and the level of danger he and anyone connected to him was in, and after three of the owners of the majority of TGAC's stock expressed their fear of "fair game," Armstrong agreed with the four owners to accept back their majority ownership, and to be responsible for the corporation and whatever was to become of it. Armstrong was then

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working full time with attorney Ford Greene, under concentrated attack from Scientology, and threatened in every part of his life.

In early 1994, after becoming aware of Scientology's increasing and unending overt and covert attacks on his character and reputation, Armstrong accepted that he was completely unable to live a normal or safe life or develop any of his artistic or intellectual ideas. Armstrong saw that if he did develop any such ideas Scientology would do whatever was necessary to destroy or pervert the ideas and threaten or harm anyone with whom Armstrong became involved in the development of his ideas. Scientology has libeled Armstrong internationally, claiming in mailings to countless people in the media, government and artistic circles that he, inter alia, lived a degraded lifestyle, testified falsely, was a heavy drug pusher, is connected to kidnappers, is incompetent, is psychotic and delusory, posed nude in a newspaper, and has AIDS.

Armstrong also accepted that Scientology wants him killed and that his life has no worldly future and is in grave danger. In 1984 Scientology's head private investigator Eugene M. Ingram, who works directly with David Miscavige, threatened to put a bullet between Armstrong's eyes. Ingram was at that time involved in corrupting a Los Angeles Police Officer to give Ingram a phony authorization to wiretap and secretly videotape Armstrong, Flynn and other people. Armstrong believes that Ingram participated in Scientology's effort in 1985 to have Armstrong charged criminally by the FBI based on their false statements. In 1986 Ingram participated in an effort to have Armstrong jailed on false charges. Ingram and Miscavige are

connected to known criminals, including criminals in prison, and Armstrong believes that it is very possible that Ingram and Miscavige would arrange to have him killed or harmed if they ever got him incarcerated. In 1987 Miscavige had Scientology agents spread the false rumor in Europe that Armstrong is "an admitted agent provocateur of the US government." Armstrong believes that Miscavige's intention behind the fabrication and dissemination of that lie was to facilitate and provide plausible deniability for Armstrong's assassination by "anti-US agents." Armstrong believes that Ingram's concocting and spreading the false rumor that Armstrong has AIDS was very possibly in advance of a covert intelligence operation to somehow infect Armstrong with the AIDS virus. Miscavige and Scientology, using attorney Bartilson, attempted, with repeated motions and pressure, from the end of 1992 through July of 1994 to have Armstrong jailed for contempt of court based on their perjury and perversion of the truth. Armstrong believes that Miscavige and his Scientologist and non-Scientologist agents are desperate and that their desperation is increasing. Armstrong believes that because of the bizarre and cruel lengths Miscavige and his agents have gone to and continue to go to destroy Armstrong, they see him as a tremendous risk to their illusion of power, and are driven ever more madly to destroy him.

Armstrong has been given a fun way to clean the world of all its trash. He has the way to peacefully end the world's economic slavery and sadness. He has been given the formula for the Unified Field. He believes he has been given the mathematical proof of God's Guidance. These things have untold potential and hope for mankind. Yet Scientology is doing whatever it can to

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destroy that potential and deny those hopes for Armstrong and mankind.

Scientology has spread the black propaganda in the artistic arena that Armstrong has no connection to art or artists.

Scientology denigrates every word Armstrong has ever written. In its publications sent to media everywhere, it calls him incompetent. It has done whatever it could to destroy his reputation. Now that it has done so, and destroyed the potential value and market for his ideas, it claims he is stating falsely that TGAC has no present commercial value. The Gerald Armstrong Corporation depends completely on Armstrong's good name and good will. Scientology has done whatever it could to destroy that good name and good will. Scientology has spent millions of dollars to attack Armstrong's person, ridicule his ideas and ruin his career. Now they spend more to attack him for daring to be beaten by them to a pulp. Now they lament that what they destroyed was worth so many billions of dollars.

Armstrong has the formula for the Unified Field, something sought by scientists and thinkers for decades. Scientology spreads the calumny that Armstrong is psychotic and delusory. Armstrong sees that no one in his right mind would believe that a psychotic and delusory person could divine the formula for the Unified Field. Armstrong recognizes that Scientology's attacks and cruelty and years of "fair game" threat have had a deep affect on his mind, and he acknowledges that he is not a rocket scientist. Armstrong believes that if he were to announce and develop his formula, Scientology would destroy his work.

Miscavige is jealous of Armstrong's free mind and ideas.

Miscavige's jealousy is reflected by his cruel attacks, his

squandering of millions of dollars of Scientology funds, and consuming countless hours of Scientologists' time in the waste of destroying Armstrong. Armstrong believes that he must resolve the Scientology conflict, and that he is called by God to resolve this conflict, before he can safely develop his ideas.

Scientology is itself responsible, by its stalking of Armstrong, its black propaganda and its physical threats, for destroying Teegeeack's potential and commercial value.

FIRST CLAIM FOR RELIEF

(Dischargeability of Armstrong's Debts

Pursuant to 11 U.S.C. Section 727(a)(4)(A))

- 20. Armstrong incorporates by reference his statements above as though fully set forth herein.
 - 21. Armstrong admits the averments of this paragraph.
- 22. Armstrong denies that TGAC was at all times operated by and for the benefit of Gerald Armstrong as his alter ego.

 Armstrong operated TGAC for the benefit of its shareholders and everyone else on earth.
- 23. Armstrong denies that any failure to include his ownership of Teegeeack on Schedule B was a deliberate omission of a material matter constituting a false oath or account in connection with the case. Armstrong believes that his oversight was a gift from God, which Armstrong was unaware of at the time, to bring him to this point, to cause Scientology to leap at another opportunity to attack and persecute him for God's purpose, and to cause him to write these words to facilitate the resolution of the Scientology conflict.
- 24. Armstrong denies that he failed to disclose his ownership of TGAC, and denies that at any time he intended to

mislead anyone as to his true financial condition or with any disregard whatsoever for the truth. 3 SECOND CLAIM FOR RELIEF 4 (Dischargeability of Armstrong's Debts 5 Pursuant to 11 U.S.C. Section 727(a)(5)) 6 Armstrong incorporates by reference his statements 7 above as though fully set forth herein. 8 26. Armstrong admits the averments of this paragraph. 9 27. Armstrong denies that three large payments total 10 \$15,000. Armstrong asserts that wherever any small payments came 11 from in 1993 totalling \$15,000 is irrelevant and Scientology has 12 no right to that information. 13 28. Armstrong admits that he testified that TGAC has no 14 commercial value. 15 Armstrong denies that he has provided no satisfactory 16 explanation for anything, including why Scientology destroys and 17 destroyed Armstrong's life, career, reputation, friendships, good will and great ideas. 18 19 THIRD CLAIM FOR RELIEF 20 (Dischargeability of Armstrong's Debts Pursuant to 11 U.S.C. Section 523(a)(2)) 21 22 Armstrong incorporates by reference his statements 23 above as though fully set forth herein. Armstrong denies that Scientology entered into the 24 25 "contract" with Armstrong in good faith, and denies that it 26 performed its part in full.

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Armstrong denies that he falsely represented to

Scientology that he understood every provision of the "contract."

Armstrong asserts that Scientology knew through Flynn that

- 33. Armstrong denies that he ever said anything about not abiding by the "contract" if it was inconvenient to him.
- 34. Armstrong denies that he put on a happy face at the videotaped "contract" signing in order to persuade Scientology to enter into the "contract" and pay him. Armstrong would have been very happy to not sign. Armstrong signed because Scientology promised to stop its "fair game" against him and everyone else if he did so.
- 35. Armstrong denies that CSI relied on anything but its "fair game" doctrine, including the intimidation and compromise of Armstrong's attorney, in order to concoct and present to Armstrong its "contract."
- 36. Armstrong denies that Scientology would not have paid Armstrong \$800,000 if it had known that Armstrong did not intend to abide by the nondisclosure provisions of the "contract." Scientology did not know what it was paying Armstrong; it could have been anywhere between \$0 and everything Scientology paid to Flynn.
- 37. Armstrong denies that his conduct at the time of signing Scientology's "contract" constituted false pretenses and/or false representations which Armstrong knew to be false and/or which he made with reckless disregard as to their truth or falsity. Armstrong signed to give Scientology peace and freedom which it rejected and chose instead war.

FOURTH CLAIM FOR RELIEF

(Dischargeability of Armstrong's Debts

Pursuant to 11 U.S.C. Section 523(a)(6))

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38. Armstrong incorporates by reference his statements above as though fully set forth herein.

39. Armstrong denies that he ever hid any assets of any kind. He denies that he ever set out on a course of conduct intended deliberately to damage and harass Scientclogy or anyone. Scientology is not damaged by anything Armstrong has done. Scientology precipitated and caused Armstrong's responses by its own "fair game" acts toward him, and by engaging him in post-settlement controversy and conflict. Armstrong has done nothing with the intent and purpose of impeding, injuring and destroying Scientology or its "faith." Armstrong has sought to bring about a peaceful resolution of Scientology's "fair game" toward him. Scientology has rejected each offer of peace and every attempt to resolve the conflict.

40. Armstrong denies that any of his actions are deliberate and malicious. Armstrong denies that he ever asked any funds of anyone to keep silent. Armstrong denies that he has an anti-Scientology campaign. Armstrong has attempted to defend himself in Scientology's anti-Armstrong campaign.

FIRST AFFIRMATIVE DEFENSE

(Failure To State A Cause Of Action)

41. Further answering said complaint, and as a first, separate and affirmative defense thereto, defendant Armstrong realleges and incorporates by reference herein each and every allegation contained above and alleges as follows:

The complaint and each cause of action contained therein fails to state a cause of action against defendant upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Respectfully submitted,

DATED: September 22, 1995

GERALD ARMSTRONG

PROOF OF SERVICE

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I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 715 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents:

GERALD ARMSTRONG'S SECOND AMENDED ANSWER

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

ANDREW H. WILSON, ESQ. ESQ.Wilson, Ryan & Campilongo 115 Sansome Street, 4th Floor San Francisco, CA 94104 LAURIE J. BARTILSON, ESQ. Moxon & Bartilson 6255 Sunset Boulevard Suite 2000 Los Angeles, CA 90028

[x](By Mail)I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[x](State)I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: September 25, 1995

Jones Abber Phippener